

CLIENT ALERT

Complete New 195.1 Forms for Exempt Employees Hired or Receiving Pay Raises in 2019

Effective December 31, 2018, the minimum weekly and corresponding yearly salary to qualify for the “administrative” or “executive” overtime exemptions will increase. New York State has no minimum salary for exempt “professional” employees, who continue to be subject to the federal salary minimum at \$455 per week or \$23,660 annually. The applicable minimum weekly and corresponding yearly salary varies based upon where the employee is located and the size of the employer, as follows:

NYC employers with 11 or more employees:		NYC Employers with 10 or fewer employees:	
Minimum Weekly Salary	Minimum Yearly Salary	Minimum Weekly Salary	Minimum Yearly Salary
\$1,125.00	\$58,500.00	\$1,012.50	\$52,560.00
Nassau / Suffolk / Westchester – All Employers:		Rest of State (Outside NYC, Nassau, Suffolk & Westchester)- All Employers:	
Minimum Weekly Salary	Minimum Yearly Salary	Minimum Weekly Salary	Minimum Yearly Salary
\$900.00	\$46,800.00	\$832.00	\$43,264.00

Employees whose salary fails to meet the applicable new minimum loses the exemption. Thus, employers must raise their current exempt “administrative” and “executive” employees’ salary – where needed – in order to meet the new minimum thresholds. Please bear in mind that, depending on how you define your work week, you may need to implement the new minimums prior to December 31, 2018 to ensure the minimum thresholds are met for the entire work week in which December 31, 2018 falls.

The New York Labor Law also requires employers to notify employees of their pay rate at the time of hire and whenever the rate changes. This obligation extends to *all* employees including exempt employees such as managers. Therefore, employers who increase or otherwise alter an existing exempt employee’s rate of pay must also complete new forms that notify the employee of the change in compensation. The New York Department of Labor promulgates the fill-in-the-blank “Notice and Acknowledgment of Pay Rate and Payday” form for this purpose. For your convenience and to assist in your legal compliance obligations, we have linked the form [here](#) for **exempt employees** for your use in this regard.

For information regarding minimum wage increases and wage notice obligations for non-exempt employees, please see our client alert entitled “[Complete New 195.1 Forms for Non-Exempt Employees Hired or Receiving Pay Raises in 2019.](#)” For our restaurant clients, please refer to our client alerts entitled “[Minimum Wage Developments in New York 2019](#)” and “[Complete New 195.1 Forms For Your Hourly Restaurant Employees.](#)” for a complete schedule of the new minimum wage, tip credit and overtime rates, as well as an overview of your wage notice obligations. As a reminder, hospitality industry employers may not pay a salary or other non-hourly rate to a non-exempt employee.

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If you have questions or would like additional information, please contact The Employment Law Practice Group Leader Amanda M. Fugazy (afugazy@egsllp.com) or the primary EGS attorney with whom you work.

This memorandum is published solely for the informational interest of friends and clients of Ellenoff Grossman & Schole LLP and should in no way be relied upon or construed as legal advice.

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